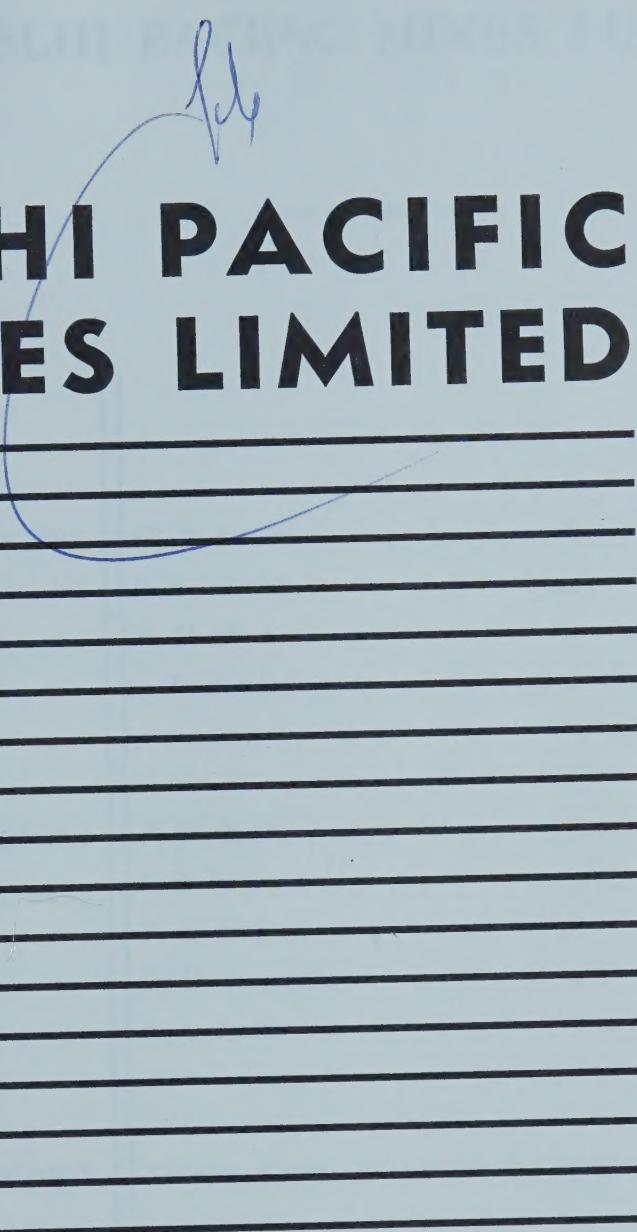


DELHI PACIFIC MINES LIMITED



ANNUAL REPORT

YEAR ENDED DECEMBER 31, 1969

DELHI PACIFIC MINES LIMITED

DELHI PACIFIC MINES LIMITED

34 Adelaide Street West
Toronto 1, Ontario

Directors' Report

To the Shareholders,
DELHI PACIFIC MINES LIMITED.

Presented with this report are the consolidated financial statements of your Company and its wholly-owned subsidiary, Delhi Pacific Mines (Ireland) Limited for the year ended December 31, 1969, with Auditors' Report dated March 24, 1970.

During 1969 the Company's exploration activities in the Republic of Ireland continued through its wholly-owned subsidiary, Delhi Pacific Mines (Ireland) Limited.

Anomalous areas located during the original reconnaissance survey of two prospecting license areas in the Counties of Waterford and Cork were soil sampled in detail, and samples were subjected to hot extractive tests for copper, lead and zinc content. The results of this work were not sufficiently encouraging to warrant further work and consequently the licenses were allowed to lapse.

Following the completion of soil sampling of three prospecting license areas in the Counties of Offaly and Kildare an induced polarization survey was completed on two areas of interest. On one of these areas the survey indicated good anomalous conditions in the vicinity of a former lead prospect. Deep soil auguring with a Minuteman drill indicated an anomalous zone several hundred feet wide and over 1,000 feet in length. It is proposed to test this zone by diamond drilling during the summer months.

Recently two additional prospecting licenses were obtained, one covering an area in County Donegal, the other an area in County Leitrim. Preliminary exploration has started in both areas.

Your Company also owns a 10% interest in Patard Limited, formerly known as Basin Explorations (Ireland) Syndicate. A research and development project is being conducted jointly with the Royal School of Mines to investigate a strong lead-bearing anomaly on an area covered by prospecting license in County Offaly.

On behalf of the Board,

G. D. PATTISON,
President.

Toronto, Ontario,
June 8, 1970.

DELHI PACIFIC MINES LIMITED
and its consolidated subsidiary

AUDITORS' REPORT

To the Shareholders of
DELHI PACIFIC MINES LIMITED

We have examined the consolidated balance sheet of Delhi Pacific Mines Limited and its consolidated subsidiary as at December 31, 1969 and the consolidated statements of deferred exploration expenditures, deficit, administrative expenses and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1969 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE, GUNN, HELLIWELL & CHRISTENSON,
Chartered Accountants.

Toronto, Canada,
March 24, 1970.

DELHI PACIFIC MINES LIMITED

(Incorporated under the laws of Ontario)

and its consolidated subsidiary

Consolidated Balance Sheet – December 31, 1969

(with comparative figures at December 31, 1968)

ASSETS

CURRENT ASSETS

	1969	1968
Cash	\$ 3,846	\$ 5,907
Short-term deposits with accrued interest	20,034	30,202
Accounts receivable	327	291
	<u>24,207</u>	<u>36,400</u>

INVESTMENTS IN SHARES

Subsidiary companies, at nominal value (note 2)	2	2
Affiliated mining companies (note 3)	64,595	64,595
Other companies, at nominal value	4	4
	<u>64,601</u>	<u>64,601</u>
Participation interest in oil properties, at cost less revenue to date	26,354	26,958

OTHER ASSETS

Sundry equipment, at nominal value	1	1
Mining claims (note 4)	253,837	253,837
Deferred exploration expenditures	307,916	303,987
	<u>561,754</u>	<u>557,825</u>
	<u>\$ 676,916</u>	<u>\$ 685,784</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 2,429	\$ 4,763
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SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized — 5,000,000 shares, par value \$1 each	3,300,000	3,300,000
Issued — 3,300,000 shares	1,702,500	1,702,500
Less discount thereon	1,597,500	1,597,500
Contributed surplus arising on reorganization	1,182,196	1,182,196
Deficit	2,779,696	2,779,696
	<u>2,105,209</u>	<u>2,098,675</u>
	<u>674,487</u>	<u>681,021</u>
	<u>\$ 676,916</u>	<u>\$ 685,784</u>

Approved by the Board:

G. D. PATTISON, Director.

R. D. BELL, Director.

DELHI PACIFIC MINES LIMITED
and its consolidated subsidiary

CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION EXPENDITURES

Year Ended December 31, 1969
(with comparative figures for 1968)

	1969	1968
Assays	\$ 1,128	\$ 2,271
Consulting	2,000	
Diamond drilling	4,065	
Drafting	582	
Government fees, licenses and taxes	1,267	2,061
Supervision	304	
Survey	481	2,125
Travel	2,186	
Wages	5,967	
General and field expenses	1,053	980
Expenditures for the year	3,929	22,541
Balance deferred at beginning of year	303,987	295,796
	307,916	318,337
Exploration expenditures written off to deficit	14,350	
Balance deferred at end of year	<u><u>\$ 307,916</u></u>	<u><u>\$ 303,987</u></u>

SUMMARY

Location of mining claims	Balance at beginning of year	Expenditures during year	Balance at end of year
Blind River, Ontario	\$ 46,072	\$ 952	\$ 47,024
Fort McKenzie Area, Quebec	63,839	170	64,009
Temagami Area, Ontario	167,534	139	167,673
Valrennes and Joutel Townships, Quebec	11,160	70	11,230
Republic of Ireland	15,382	2,598	17,980
	<u><u>\$ 303,987</u></u>	<u><u>\$ 3,929</u></u>	<u><u>\$ 307,916</u></u>

DELHI PACIFIC MINES LIMITED
 and its consolidated subsidiary

CONSOLIDATED STATEMENT OF DEFICIT

Year Ended December 31, 1969
 (with comparative figures for 1968)

	<u>1969</u>	<u>1968</u>
Deficit at beginning of year	\$2,098,675	\$2,078,499
ADD		
Administrative expenses written off	7,934	5,696
Exploration expenditures written off		14,350
Write-down of investment in affiliated company		
Advances to subsidiary companies, written off (recovered)	(1,400)	130
Deficit at end of year	<u>\$2,105,209</u>	<u>\$2,098,675</u>

CONSOLIDATED STATEMENT OF ADMINISTRATIVE EXPENSES

Year Ended December 31, 1969
 (with comparative figures for 1968)

	<u>1969</u>	<u>1968</u>
Administration fee	\$ 4,200	\$ 4,200
Annual report and shareholders' information	1,502	1,330
Directors' fees	600	700
Government fees and taxes	111	95
Legal and audit	580	946
Listing and filing fees	100	105
Office and general expenses	1,605	125
Stock transfer expense	788	783
Expenses for the year	<u>9,486</u>	<u>8,284</u>
Deduct interest earned	1,552	2,588
Administrative expenses written off	<u>\$ 7,934</u>	<u>\$ 5,696</u>

DELHI PACIFIC MINES LIMITED
 and its consolidated subsidiary

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year Ended December 31, 1969
 (with comparative figures for 1968)

	1969	1968
SOURCE OF FUNDS		
Revenue from oil properties (net)	\$ 604	\$ 835
Advances to subsidiary recovered	1,400
	<u>2,004</u>	<u>835</u>
APPLICATION OF FUNDS		
Exploration expenditures	3,929	22,541
Administrative expenses	7,934	5,696
Investment in shares of another company	1
Advances to subsidiary companies written off	130
	<u>11,863</u>	<u>28,368</u>
Decrease in working capital	9,859	27,533
Working capital at beginning of year	31,637	59,170
Working capital at end of year	<u>\$ 21,778</u>	<u>\$ 31,637</u>

DELHI PACIFIC MINES LIMITED

and its consolidated subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 1969

1. BASIS OF CONSOLIDATION

The accounts of Delhi Pacific Mines (Ireland) Limited a wholly-owned subsidiary acquired in 1968 are consolidated in these financial statements. The accounts of this subsidiary are recorded in sterling and have been converted to Canadian dollars at the prevailing rates of exchange except in those cases where actual known dollar amounts are applicable to particular transactions.

2. INVESTMENT IN AND ADVANCES TO OTHER SUBSIDIARIES

The accounts of the other subsidiary companies, Nickel Corporation of America and Associated Mining Corporation, have not been consolidated as they are inactive. Both companies are without assets and the investments therein and advances thereto have consequently been written down to nominal value.

	1969	1968
3. SHARES IN AFFILIATED MINING COMPANIES		
Delmico Mines Limited		
1,291,885 shares (of which 553,847 shares are held in escrow)		
at less than cost	\$ 64,594	\$ 64,594
Canadian Manganese Corporation Limited, at nominal value	1	1
	<hr/> \$ 64,595	<hr/> \$ 64,595

At the balance sheet date, shares of Delmico Mines Limited were quoted at 3¢ per share (7¢ per share in 1968).

4. MINING CLAIMS

	1969	1968
25 mining leases in the Blind River Area, Ontario, acquired for 13,750 shares of capital stock valued at \$5,500 and \$26,000 cash	\$ 31,500	\$ 31,500
5 claims (25 in 1968) in the Fort McKenzie Area, Quebec, held under development licence, acquired for 400,000 shares of capital stock valued at \$120,000 and \$25,000 cash	145,000	145,000
15 claims in the Temagami Area, Ontario, held under mining leases, acquired for 59,219 shares of capital stock valued at \$56,837 and \$150 cash	56,987	56,987
2 claims (5 in 1968) in Valrennes and Joutel Townships, Quebec, held under development licence, acquired for 50,000 shares of capital stock valued at \$10,000 and \$10,350 cash	20,350	20,350
9 Prospecting licences (5 in 1968) in the Republic of Ireland	Nil	Nil
	<hr/> \$ 253,837	<hr/> \$ 253,837

5. OTHER STATUTORY INFORMATION

Direct remuneration of directors and senior officers (as defined in The Corporations Act) amounted to \$600 in 1969 (\$700 in 1968).

fM
DELHI PACIFIC MINES LIMITEDSUITE 509, 25 ADELAIDE STREET WEST
TORONTO 1, ONTARIO

TO THE SHAREHOLDERS:

Shown below for your information is the unaudited Statement of Source and Application of Funds for the six months ended June 30, 1968 with comparative figures for the same period in 1967.

G. D. PATTISON,

August 14, 1968

President.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

(unaudited)

Source	Six months ended	
	June 30, 1968	June 30, 1967
Interest earned	\$ 1,448	\$ 510
Proceeds from the sale of 400,000 treasury shares		60,000
Revenue from participation interest in oil properties	494	700
	<hr/>	<hr/>
	1,942	61,210
	<hr/>	<hr/>

Application

Deferred exploration and development expenses

Assays	115	
Consulting	1,275	500
Diamond drilling	4,065	
Engineering	561	124
Government fees and licenses	406	1,104
Supplies	479	
Travel and transportation	1,795	
Wages	6,318	
Sampling	1,110	
	<hr/>	<hr/>
	16,124	1,728
	<hr/>	<hr/>

Administration expenses

Administration fee	2,100	2,550
Annual report and shareholders' information	1,199	788
Directors' fees	700	700
Government fees and taxes		136
Legal and audit		650
Listing		300
Transfer agent's fees and expenses	476	388
Sundry	33	193
	<hr/>	<hr/>
	4,508	5,705
	<hr/>	<hr/>

Advances to subsidiary and affiliated companies

	370	530
	<hr/>	<hr/>

Increase (decrease) in working capital	(19,060)	53,247
Working capital beginning of period	59,170	11,021
Working capital end of period	\$ 40,110	\$ 64,268

DELHI PACIFIC MINES LIMITED

Suite 509, 25 Adelaide Street West
Toronto 1, Ontario

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual Meeting of the Shareholders of Delhi Pacific Mines Limited will be held at Suite 510, 25 Adelaide Street West, Toronto, Ontario on Tuesday the 11th day of June, 1968, at the hour of 10:00 o'clock in the forenoon, Toronto Time, to:

- (a) receive the 1967 Annual Report, including the financial statements for the year ended December 31, 1967 with the Report of the Auditors thereon;
- (b) elect Directors;
- (c) appoint auditors and authorize the Directors to fix their remuneration;
- (d) transact such other business as may properly come before the meeting or any adjournment thereof.

A copy of the 1967 Annual Report accompanies this notice.

DATED at Toronto, this 27th day of May, 1968.

By Order of the Board of Directors,

R. D. BELL,
Secretary.

Shareholders who are unable to attend the meeting in person are requested to date and sign the enclosed form of instrument of proxy and return it in the envelope provided for that purpose.

DELHI PACIFIC MINES LIMITED

Suite 509, 25 Adelaide Street West
Toronto 1, Ontario

INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation by the management of Delhi Pacific Mines Limited (the Company) of proxies for use at the Annual Meeting of the Shareholders of the Company and at any adjournment thereof to be held at the time and place and for the purposes set forth in the accompanying notice of meeting. The solicitation will be made primarily by mail but it may be that proxies may also be solicited personally by regular employees of the Company at nominal cost. The cost of solicitation by management will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

A SHAREHOLDER DESIRING TO APPOINT ANY PERSON OTHER THAN THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY AS HIS NOMINEE TO ATTEND AND ACT AT THE MEETING FOR HIM MAY DO SO by striking out the printed names in the enclosed form of proxy and inserting the name of his nominee in the blank space provided in the form of proxy.

A shareholder who has given a proxy may revoke the same at any time.

EXERCISE OF DISCRETION

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. IN THE ABSENCE OF SUCH DIRECTION, SUCH SHARES WILL BE VOTED FOR THE APPROVAL OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS, AND FOR THE ELECTION OF DIRECTORS AND THE APPOINTMENT OF AUDITORS AS STATED UNDER THOSE HEADINGS IN THIS CIRCULAR. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the meeting. At the time of printing this circular the management of the Company knows of no other matters to come before the meeting other than the matters referred to in the notice of meeting.

VOTING SHARES

On May 27, 1968 the Company had outstanding 3,300,000 shares of \$1.00 par value each, carrying the right to one vote per share so that the aggregate number of votes attaching to all the outstanding shares is 3,300,000. The Directors and senior officers of the Company do not know of any person or company beneficially owning, directly or indirectly, shares carrying more than 10% of the voting rights attached to all shares of the Company except the following:

Name	Approximate number of such shares beneficially owned directly or indirectly	Percentage of outstanding equity shares represented by the number of shares so owned
Dobieco Limited	755,625	22.9

ELECTION OF DIRECTORS

The Board consists of five Directors to be elected annually. The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below, all of whom are now members of the Board of Directors and have been since the dates indicated. The Management does not

contemplate that any of the nominees will be unable to serve as a Director but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each Director elected will hold office until the next Annual Meeting and until his successor is duly elected, unless his office is earlier vacated.

The following information is furnished with respect to each person proposed to be nominated for election as a Director:

<u>Name</u>	<u>Became Director</u>	<u>Number of shares beneficially owned</u>
R. D. Bell of Willowdale, Ontario is Secretary-Treasurer of the Company, which office he has held since June, 1966. He is a Chartered Accountant and has been for the preceding five years, Secretary-Treasurer of Perry-Pattison Limited, Corporate Secretaries.	1959	19
J. P. Brisbois of Toronto, Ontario is Assistant Secretary-Treasurer of the Company, which office he has held since May, 1968. Since July, 1967 he has been a Chartered Accountant employed by Perry-Pattison Limited. Prior thereto he was employed by Thorne, Gunn, Helliwell & Christenson, Chartered Accountants.	1968	2
F. C. Knight of Toronto, Ontario is and has been for the preceding five years a Mining Engineer retained by Mogul Mines Limited.	1966	1
G. D. Pattison of Aurora, Ontario is President of the Company, which office he has held since June, 1966. He is a Chartered Accountant and has been for the preceding five years, Vice-President of Perry-Pattison Limited, Corporate Secretaries.	1953	1
S. A. Perry of Toronto, Ontario is Vice-President of the Company, which office he has held since June, 1966. He is, and has been for the preceding five years, President of Perry-Pattison Limited, Corporate Secretaries.	1950	1

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

During the fiscal year ended December 31, 1967 the aggregate remuneration payable by the Company to the Directors and senior officers was \$700.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the re-appointment of Messrs. Thorne, Gunn, Helliwell & Christenson, Chartered Accountants of Toronto, as auditors of the Company to hold office until the next Annual Meeting of Shareholders.

May 27, 1968.

